

# CONNECTICUT CREDITOR BAR ASSOCIATION

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## **2023 S.B. No. 1086**

*AN ACT CONCERNING COERCED DEBT.*

### **GENERAL COMMENTS ON 2023SB-1086**

TO: **BANKING COMMITTEE**  
FROM: William L. Marohn, Esq., President of the CCBA  
DATE: March 2, 2023

Senator Miller, Representative Doucette, Senator Berthel, Representative Delnicki, and members of the committee, I am Attorney William Marohn. I am the current President of the Connecticut Creditor Bar Association (CCBA), and I would like to thank the Committee for the opportunity to submit our comments on S.B. 1086.

As you know from our years of collaborative work with this committee the CCBA is composed of attorneys and law firms licensed to practice law in the State of Connecticut. Our members specialize in the practice of creditor's rights law and we believe we are uniquely positioned to work with this Committee, the Bill Sponsor, and other stakeholders to make this a workable solution for both the victim of coerced debt and the creditor.

We would first like to ask that S.B. 1086 Section 2 more clearly state that a properly documented coerced debt obligation can still be legally pursued against the perpetrator of the abuse. We believe it is important to be crystal clear that the perpetrator will be responsible for their actions and not allowed to retain any economic benefits derived from their abuse.

We believe that the bill also has an inequitable impact on one class of Consumer Collection Agencies; specifically "... any person (B) engaged in the business of debt buying." While the bill does not extinguish the coerced debt obligation and every other class of Consumer Collection Agency can simply return their account to the Creditor; in the context of a debt buyer the bill effectively extinguishes the debt obligation.

Finally, while the instances will likely be very rare, those that engage in the despicable act of raising a false claim of coerced debt as a debt avoidance scheme should be dealt with harshly. To deter these potential bad actors we would ask that the Raised Bill language be modified in Subsection (9) of C.G.S. Sec. 36a-800 as follows:

“Documentation of coerced debt means documentation, submitted under the pain or penalty or perjury, identifying a debt...”. We believe this slight addition will be an additional deterrent should someone raise a false claim.

We are happy to work with the Bill’s Sponsors, the Committee, and other stakeholders to further refine this Bill. We appreciate the Committee considering our comments on this Bill.

Thank you for your time and consideration.